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CIA denies report Gates tied to memo

United Press International

WASHINGTON - The Central Intelligence Agency denied a published report yesterday that said Robert Gates, the nominee to be director of Central Intelligence, agreed to send a memo to the White House in 1985 that favored arms dealings with Iran.

The New York Times reported that the memo was sent out under the signature of William Casey, who then was director of Central Intelligence, but sources told the newspaper Gates had played a direct role in the decision to circulate the memo within the government in order to win favor within the administration.

"The story is false," said George Lauder, a spokesman for the CIA, where the memo was prepared.

Lauder declined to discuss the report in detail, but he said Gates was out of town and the CIA planned to dispute the story in detail soon, probably today.

Lauder also said CIA officials were in the process of contacting members of the Senate Intelligence Committee to talk about the report.

The panel held two days of confirmation hearings on Gates last week and planned to hold a closed session following the release Thursday of a presidential review board's report on the National Security Council and the role it played in the secret sale of US arms to Iran.

The Times said the 1985 memo, written as a "think piece" by Graham Fuller, a senior CIA analyst, suggested that the United States should permit Western allies to sell arms to Iran as a means of enhancing Western influence and blocking the efforts of the Soviet Union.

It said the memo led to the first National Security Council planning for dealings with Iranian leaders, the Times said.

The memo suggested the administration allow arms sales to Iran by US allies as a means of winning Western leverage with leaders of the revolutionary regime of Ayatollah Ruhollah Khomeini and countering Soviet influence with Tehran.